2018 Audited Annual Accounts
Annual Board Session, 10-14 June 2019
Statement of Financial Performance (Statement II)

In 2018, growth in revenue exceeded increase in operational spending, resulting in an increased surplus of USD 729 million.

Evolution of revenues, expense and surplus
Revenue

2018 is another record year with total revenue recognized of USD 7.4 billion, of which USD 7.2 billion or 98% from donor contributions (an increase of USD 1.2 billion or 20% compared to 2017)

Evolution and composition of revenue (in USD millions)

- 2018: TOTAL 7,368
  - Monetary contributions: 6,783
  - In-Kind contributions: 452
  - Other revenue: 133

- 2017: TOTAL 6,431
  - Monetary contributions: 5,615
  - In-Kind contributions: 385
  - Other revenue: 431

- 2016: TOTAL 5,909
  - Monetary contributions: 5,300
  - In-Kind contributions: 471
  - Other revenue: 138
Expenses

Cash-based transfers continued growing faster than other cost categories in 2018, an increase of USD 314.4 million (or 22%)
Statement of Financial Position (Statement I)

- **Total assets of USD 8,175 million increased by USD 195.5m (2%).** The increase stems primarily from increase in ST investments and inventories, offset by decrease in contribution receivables.

- **Total liabilities of USD 2,869 million** decreased by USD 676.3 million (19%) mainly due to decrease in deferred revenue by USD 649 million (34%).

- **Net assets** (WFP Fund Balances and Reserves) totalled USD 5,305.7 million representing approximately six months of operational activity.

- **Food inventories** increased by 22% as a result of increase in MT held, from 1.1 million MT in 2017 to 1.6 million MT in 2018. The value of food inventories was USD 842 million, USD 152 million higher than at the end of 2017.

- The decrease in total **employee benefits liabilities** of USD 99.9 million (11%) is mostly result of higher discount rate used to calculate the Net Present Value of the liabilities. Assets set aside for the funding of the long-term employee benefits liabilities represents **80% funding level**.
Statement V - Comparison of Budget and Actual Amounts

1. Final budget (USD 10 billion) is higher than original by USD 1.2 billion
   - Primarily due to increases related to Bangladesh, DRC and Yemen emergencies
   - Other increases were related to Syrian Regional response, Ethiopia and Somalia

2. Actuals higher than implementation plan due to higher than expected contribution revenue

3. Utilization rate of the final budget is 68% compared to 59% in 2017

4. Largest CBT operations: Syrian refugees’ emergency
   Largest food operations: Yemen, Syria, Ethiopia and South Sudan

<table>
<thead>
<tr>
<th>Project costs</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual on Comparable basis</th>
<th>Difference: Final budget and actual</th>
<th>Implementation Plan</th>
<th>Utilisation rate final budget %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and related DOC</td>
<td>-</td>
<td>1,971.7</td>
<td>1,460.6</td>
<td>511.1</td>
<td>-</td>
<td>74%</td>
</tr>
<tr>
<td>Cash-based transfers and related DOC</td>
<td>-</td>
<td>713.8</td>
<td>359.4</td>
<td>354.4</td>
<td>-</td>
<td>50%</td>
</tr>
<tr>
<td>Capacity augmentation</td>
<td>-</td>
<td>201.9</td>
<td>166.0</td>
<td>35.9</td>
<td>-</td>
<td>82%</td>
</tr>
<tr>
<td>Direct support costs</td>
<td>-</td>
<td>318.2</td>
<td>327.5</td>
<td>.9</td>
<td>-</td>
<td>103%</td>
</tr>
<tr>
<td>Subtotal direct project costs</td>
<td>-</td>
<td>3,205.6</td>
<td>2,313.5</td>
<td>892.1</td>
<td>-</td>
<td>72%</td>
</tr>
<tr>
<td>CSP costs</td>
<td>5,149.0</td>
<td>4,248.6</td>
<td>2,866.4</td>
<td>1,382.2</td>
<td>3,399.6</td>
<td>67%</td>
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<tr>
<td>SR 1. Everyone has access to food</td>
<td>525.3</td>
<td>225.2</td>
<td>310.0</td>
<td>510.2</td>
<td>42%</td>
<td>6%</td>
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<tr>
<td>SR 2. No one suffers from malnutrition</td>
<td>460.0</td>
<td>204.0</td>
<td>242.0</td>
<td>364.1</td>
<td>46%</td>
<td>12%</td>
</tr>
<tr>
<td>SR 3. to SR 7</td>
<td>583.8</td>
<td>258.7</td>
<td>145.1</td>
<td>419.4</td>
<td>56%</td>
<td>12%</td>
</tr>
<tr>
<td>SR 8. Strengthening global partnership</td>
<td>940.2</td>
<td>920.9</td>
<td>669.4</td>
<td>261.5</td>
<td>834.7</td>
<td>72%</td>
</tr>
<tr>
<td>Direct support costs</td>
<td>580.8</td>
<td>258.7</td>
<td>145.1</td>
<td>419.4</td>
<td>56%</td>
<td>12%</td>
</tr>
<tr>
<td>Subtotal CSP costs</td>
<td>8,469.7</td>
<td>6,419.5</td>
<td>4,110.2</td>
<td>2,309.3</td>
<td>5,519.0</td>
<td>64%</td>
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<tr>
<td>Regular PSA &amp; CCI</td>
<td>371.0</td>
<td>378.4</td>
<td>370.9</td>
<td>7.5</td>
<td>371.9</td>
<td>98%</td>
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<tr>
<td>TOTAL</td>
<td>8,831.7</td>
<td>10,003.5</td>
<td>6,794.6</td>
<td>3,208.9</td>
<td>5,890.0</td>
<td>68%</td>
</tr>
</tbody>
</table>
ED Statement on Internal Control

Highlighting significant internal control risks:

• One new internal control weakness arose during 2018:
  ▪ non-governmental organization management

• Five areas previously reported need further improvement
  ▪ beneficiary management
  ▪ IT governance, controls and cybersecurity
  ▪ scale-up of support to cope with emergency portfolio
  ▪ operational monitoring and review system
  ▪ talent management and workforce planning
THANK YOU